



Joint Policy Committee

Friday, July 21, 2006
10:00 a.m. to 12:00 Noon
MetroCenter Auditorium
101 Eighth Street, Oakland

AGENDA

1. Call to Order
2. Approval of Joint Policy Committee Meeting Minutes of May 19, 2006 (attached) Action
3. Bay Area Regional Position on CEQA Reform (attached) Action
The attached staff memo reviews the California Environmental Quality Act (CEQA) process as it affects smart growth, and particularly as it influences infill development. Existing regional policy positions are reviewed and alternative approaches to CEQA reform are compared.
4. One-year Interim Evaluation of MTC Resolution 3434 TOD Policy and Industrial Land-use Conflicts (attached) Discussion
A consultant team has completed an early-stage evaluation of progress on implementing the MTC TOD Policy. MTC staff will summarize the study findings with particular reference to the JPC's concerns with industrial land-use conflicts.
5. Focusing Our Vision (FOCUS) Progress Report (attached) Discussion
The attached memo summarizes progress since the last JPC meeting. Staff will also make a presentation on four recent reports which relate to the FOCUS mandate.
6. Other Business
7. Public Comment
8. Adjournment

NEXT SCHEDULED MEETING:

10:00 a.m. to Noon
Friday, September 22, 2006
MetroCenter Auditorium
101 Eighth Street, Oakland

The JPC may take action on any item listed in the agenda.

This meeting is scheduled to end promptly at 12:00 Noon. Agenda items not considered by that time may be deferred.

The public is encouraged to comment on agenda items by completing a request-to-speak card and giving it to JPC staff or the chairperson.

Although a quorum of the Metropolitan Transportation Commission may be in attendance at this meeting, the Joint Policy Committee may take action only on those matters delegated to it. The Joint Policy Committee may not take any action as the Metropolitan Transportation Commission unless this meeting has been previously noticed as a Metropolitan Transportation Commission meeting.



Joint Policy Committee

Minutes of the Meeting of May 19, 2006 Held at 10:00 AM in the MetroCenter Auditorium, Oakland

Attendance:

ABAG Members:

Jane Brunner
Dave Cortese
Mark Green
Scott Haggerty
Rose Jacobs Gibson
Steve Rabinowitsh
Gwen Regalia

BAAQMD Members:

Chris Daly
Jerry Hill
Michael Shimansky
Pamela Torliatt
Gayle Uilkema

MTC Members:

Bill Dodd
Sue Lempert
John McLemore
Jon Rubin, Ch.
Shelia Young

ABAG Staff:

Gillian Adams
Randy DeShazo
Paul Fassinger
Henry Gardner
Jaqueline Guzman
Janet McBride
Christy Riviere
Jonathan Strunin

BAAQMD Staff:

Jack Broadbent
Henry Hilken
Jean Roggenkamp

MTC Staff:

John Albrecht
Frank Harris
Steve Heminger
Doug Johnson
Valerie Knepper

Other:

Ratna Amin, City of Oakland
Eloise Bodine, Bay Area Monitor
Jerry Grace
Richard Hedges, EDAC
Steve Lowe, WOCA
Peter Lydon, SPUR
Bill Sandbrick, Fremont Chamber of Commerce
Will Travis, Bay Conservation and Development
Commission
Amy Zimpfer, USEPA

JPC Staff:

Ted Droettboom

1. Call to Order

Chair Rubin called the meeting to order.

2. Approval of Joint Policy Committee Meeting Minutes of March 17, 2006

The minutes of the previous meeting were approved.

3. Focusing Our Vision Progress Report

Ted Droettboom summarized the staff report on progress since the last JPC meeting and requested that the discussion on building bridges to local government be combined with that on item 5.

Henry Gardner, Steve Rabinowitsch and BCDC's Will Travis reported on the Blueprint Learning Network session which occurred in Sacramento on May 12th. Also in attendance from the Bay Area were Steve Kinsey, Leon Sompolinsky from Urban Habitat and Jim Wunderman from the Bay Area Council.

Noting that progress is slow and difficult in all regions and that competing regions may have a tendency to hyperbole, the participants were nevertheless impressed with the progress in the other three major metropolitan areas and observed that the Bay Area may have some catching up to do. The relative hiatus after the completion of the *Smart Growth Strategy / Regional Livability Footprint Project* has put us at a little disadvantage, particularly in gaining the commitment of local government to the regional vision. As land-use control remains the prerogative of local government, that commitment is essential, and is central to the current *Focusing Our Vision* effort.

Continuous and adequate funding is critical, both for retaining planning momentum and for providing incentives to smart-growth behavior. SANDAG uses local monies to encourage member municipalities to update plans and pursue TOD and other compact developments. There is nearly a competition to see who can grow smarter.

The growth challenge for the State of California was noted. Over the next couple of decades, California will need to accommodate population growth equivalent to the present population of Texas. Of this growth, the Bay Area's proportion is relatively small and, therefore, in one sense relatively easy to plan for. In another sense, it is difficult in that it requires reversing a trend of spillover into surrounding regions and involves achieving consensus in what may be the state's most geographically and politically diverse region.

Even measuring progress is difficult. The same metrics may not be appropriate for all California regions.

4. Smart Growth and Goods Movement

With the aid of a slide presentation, ABAG's Randy Deshazo summarized the staff memo, highlighting residential/industrial interface issues in three case-study areas. A rich discussion followed.

JPC members expressed concerns about:

- Locating new residential development in environmentally sensitive locations, not just near industry but also near highways and other sources of pollutants and hazards;
- Losing small community-serving businesses, such as auto repair, to residential development;
- Losing land for distribution uses and therefore encouraging more and longer truck trips;
- Not providing enough industrial employment near transit, thus limiting the potential transit-oriented employment destinations for blue-collar residents of transit-oriented residential developments;
- Converting industrial land for affordable housing without guarantees that the housing will remain affordable in perpetuity;
- Industrial lands being land-banked for future higher-order uses and in the short- to medium-term providing neither jobs nor housing;
- Nearly irresistible political pressures to convert land to higher-order uses as land values rise;
- Whether the region was using the right metric to determine what sort of development to incent (should it be reduction in VMT?);
- Uncertainty about how much land the region requires for industrial and distribution uses and whether most historic demand has been replaced by software manufacturing and other activities which more closely resemble office uses than industrial uses;
- Limitations on the ability of regional agencies to influence local land-use decisions

It was moved and seconded, and was the decision of the Committee:

THAT MTC be requested to study the issue of industrial land conversion as part of its evaluation of the Resolution 3434 TOD policy and that it report its conclusions to the JPC.

5. Corridor Planning Program—Opinion-Leader Attitudes Toward Development and Change

Christy Riviere, ABAG Senior Planner, summarized the major themes emerging from a survey of community-based opinion leaders in the San Pablo Avenue, East 14th/International Boulevard, and El Camino Real corridors. Ms. Riviere's slide presentation is on the JPC website.

Committee discussion, which also referenced agenda item 3, focused on the need for honest two-way communication which reached out to people and to local governments in simple, clear, relevant language which was meaningful to the recipients and responded to their needs and concerns. People are not interested in hearing about abstract regional constructs and they want to see action, not just talk. Ultimately a broader constituency than just the regional agencies must buy into and own regional solutions, but this will need to happen on their terms, not the region's.

Intra-regional rivalries and local-government fiefdoms were identified as impediments to regional solutions, as was the tendency for some local-government officials to opt out of the discussion and then complain that they were not consulted when push comes to shove. One member noted that the people of the Bay Area may place greater priority and faith in regional solutions than do their locally-elected officials.

6. Legislative Update

Ted Droettboom briefly summarized the content and status of the four bond issues which the State Legislature approved for submission to the voters in November. He highlighted areas relating to the JPC's interest and mandate and also referenced an initiative bond issue for parks and resource protection which includes funds for "sustainable communities." Other legislation relating to housing and smart growth was also listed. A copy of the slide presentation outlining Mr. Droettboom's remarks is on the JPC website.

7. Other Business

There was no other business.

8. Public Comment

A member of public complained about the public seizing of property belonging to the deceased.

9. Adjournment



**Association of Bay Area Governments
Bay Area Air Quality Management District
Metropolitan Transportation Commission**

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Joint Policy Committee / Regional Planning Program

Date: July 13, 2006
To: Joint Policy Committee
From: Regional Planning Program Director
Subject: Bay Area Regional Position on CEQA Reform

At a recent hearing of the Senate Select Committee on California Infrastructure, Senator Tom Torlakson queried MTC staff on this region's position on CEQA reform as it related to the facilitation of infill development. The Senator indicated that a clear statement from the Joint Policy Committee (JPC), representing the collective smart-growth interests of the Bay Area's regional agencies, would be very valuable to the Legislature's upcoming discussion of CEQA-related issues.

This memo summarizes recently adopted positions of the JPC's member agencies and references some early JPC consideration of CEQA related to smart growth. The memo seeks Committee direction on what formal, consolidated position, if any, the Bay Area should take on CEQA reform. As the JPC has no independent policy authority, it is incumbent on the JPC to recommend any policy statement to its member agencies for formal adoption.

Agency Positions

ABAG's Executive Board, at its meeting in March, approved a set of five principles to guide consideration of forthcoming planning legislation (Attachment A).

Principle 4 references CEQA reform:

Structure environmental review to promote quality development, protect the environment and provide for meaningful community input.

The Air District has, to date, taken no position on CEQA reform.

MTC has adopted a policy intention related to CEQA as part of the Transportation/Land-Use Platform (Attachment B) in the 2005 Regional Transportation Plan, *Transportation 2030* (adopted February 23, 2005). It states:

MTC and ABAG also will develop a joint legislative platform in partnership with other agencies that will focus on removing barriers to smart growth, including:

... Reform of the California Environmental Quality Act (CEQA) to reduce the barriers for transit-oriented development proposals that demonstrate community support, are consistent with local plans and do not result in significant environmental impacts...

JPC Consideration of CEQA

At its third meeting on September 24th, 2004, and before the Air District joined the Committee, the JPC approved recommendations in a report on a “Proposed JPC Agenda for the 2005-2006 Legislative Session.” Among the recommendations was a proposal for a planning package that would publicly fund local specific plans and associated master environmental impact reports as a substitute for project-specific CEQA reviews.

The essence of this proposal eventually found expression in a set of draft bills authored by Senator Don Perata. Senator Perata’s SB 1024 contained funding to produce local general and specific plans consistent with regional growth plans. Companion language, intended to be introduced as amendments to SB 832, would have provided focused CEQA exemptions for projects contained within regionally consistent housing opportunity areas which had been subjected to a specific planning process and a master environmental review and where appropriate area mitigations, if required, were in place. Most of SB 1024 has been carried forward into the Housing Bond to be placed before voters in November. The language and funding related to regional and local plans, however, did not survive. SB 832 is inactive and has not been amended to include a tiered CEQA process. That process would have included improvements to the concept of Master Environmental Impact Reports (EIRs) so as to increase developer and community confidence in their use. As it stands, the inactive SB 832 would provide outright CEQA exemptions for small- to medium-sized residential projects in cities with populations over 200,000.

In-fill Development and CEQA

Regional policy favors in-fill development over greenfield development because it employs existing infrastructure, is more likely to be efficiently serviced by transit, contributes to jobs/housing balance, helps revitalize existing communities, and does not consume sensitive or productive land resources. However, infill is intrinsically more difficult than greenfield development. One of the many things which make it more difficult is the requirement to fit within existing communities. Established communities frequently resist change. More often than not, the tool of choice to stop or reshape change is CEQA. Developers and housing advocates have sought reform to reduce the uncertainty and expense of CEQA challenges to infill.

As well, some environmentalists have observed that the cumulative effect of project-specific CEQA reviews may be counterintuitive: that the *regional* environment may be suffering as the result of mitigations made to satisfy *local* environmental concerns. One of principal reasons for this is the tendency to mitigate by reducing project densities. In a context of continuing growth, housing not accommodated within existing communities at moderately higher densities will be built on distant greenfields, usually at lower densities. This will consume more environmentally sensitive land and put more cars on the road for longer distances. Asked to compare the environmental costs and benefits of more housing and more traffic within say Berkeley and Oakland to more congestion on I-80 and more development of the delta floodplain, many environmental activists favor the former; and they are willing to accept some CEQA compromises to remove perverse biases against infill.

Two approaches to CEQA reform

Approaches to CEQA reform generally take one of two alternative routes: (1) outright exemptions or (2) tiering leading to conditional or focused exemptions.

In the context of infill development, the outright exemption approach assumes that compact housing projects located in identified priority areas (e.g., large cities) are *a priori* environmental goods and that no, or only limited, CEQA review is required to protect the environment. Local environmental impacts (particularly traffic) are implicitly assumed to be outweighed by regional environmental benefits or by other higher-order social objectives (e.g., housing affordability). There are existing legislated exemptions in place for some affordable housing projects and for a class of housing projects in downtown Oakland. The original draft of SB 832 would have expanded the category of infill housing projects subject to these outright exemptions.

From an administrative and legal standpoint, outright exemptions offer significant advantages: they are unambiguous and leave little room for discretion and subsequent legal challenges of that discretion. They also apply to only a limited class of socially and environmentally desirable outcomes (e.g., affordable housing). From a socio-political standpoint, they may be less desirable, as they may assume away an array of real and meaningful impacts and issues. Many environmental-justice advocates are wary of exemptions for precisely this reason.

Tiering is an explicit recognition that not all environmental impacts are appropriately assessed or mitigated at the project level; that cumulative and interactive effects are most appropriately and effectively addressed for some broader area. That broader area may range from the neighborhood through to the region. In a typical tiered approach a “master” environmental impact assessment will be prepared for a plan—specific, general or regional. Individual projects consistent with that plan will be exempt from environmental review, at least for those environmental impacts which have been handled through the master EIR. Impacts not appropriately address through the master EIR could still be subject to a focused review.

Tiering has been legally possible for a number of years. However, for a variety of reasons, it is seldom employed. Unlike project-level reviews, which are generally paid for by a developer, plans and EIRs (covering multiple parcels in multiple ownerships) frequently require the expenditure of public funds, which can be in short supply. Tiering may also relocate the risk of challenge and litigation from the individual developer to the approving locality. Tiering that extends to the level of a regional plan may expose the regional agencies to additional litigation, as project opponents will seek to refute whatever document gave “permission.”

Developers are often reluctant to rely on Master EIRs as they introduce impacts and mitigations beyond the control of individual project proponents and therefore increase the level of uncertainty. A complete project review puts all impacts in one place within one locus of control.

Timing can also be an issue. EIRs may rely on a number of time-sensitive assumptions about context. As context changes, the master EIR may not have sufficient shelf life to accommodate all the projects it anticipates, particularly if market exigencies delay development.

An important concern is the number of tiers and the distance between tiers. A few groups are currently floating a proposal to exempt in-fill developments from CEQA reviews of traffic impact if those developments are within a region that has prepared a “blueprint” that has been subjected to an EIR and is projected to reduce overall vehicle miles traveled (VMT). That jump between tiers may be too great for many people. It may be possible to both reduce VMT (or at least the growth in VMT) and also mitigate local traffic impact, particularly if mitigation is planned at an area (as opposed to a project) level.

Aside from assessing and mitigating impacts, an important informal purpose of CEQA is that it allows local residents to have some say over what happens in their community. That purpose will not be served by a regional planning process which is too distant from local concerns. It can, however, be facilitated by an appropriate hierarchy of regional, general, and specific (i.e., neighborhood) plans which encourage meaningful public involvement at all levels. Most importantly, this planning structure changes the question from “What don’t we like about this project?” to “What kind of community do we want to become?” People who have a genuine role in shaping change, are generally more accepting of that change. And experience with the voter initiative process in California has shown that, if folks do not accept change, they will find a way of stopping it, no matter what legislative reforms or statutory exemptions are in place.

There are clearly a number of difficulties that need to be addressed. However, on balance, a tiered process—which relies more on a system of positive, proactive and participative planning and less on a system of adversarial project review—seems to hold more promise for facilitating in-fill development in a way which is sustainable over the long term and in a way which results in strong, quality communities as well as a more efficient and more environmentally responsible region.

The difficulty is that moving to such a process from the current CEQA culture, which serves many other functions and interests in addition to environmental protection, may be too great a leap for many. Holding out for such a fundamental change may thwart more incremental changes (i.e., limited exemptions) which may be more conducive to actually getting some real in-fill projects through in the shorter term—albeit arguably at some local environmental cost.

It also needs to be noted that both exemption and tiered approaches may reduce the ability of local governments to obtain project-related mitigations from developers. In the convoluted environment of local-government finance in California, a reduced ability to deal with off-site costs may be significant.

In sum, the issues are substantively and politically difficult. If they were easy, we would have a satisfactory resolution by now.

RECOMMENDATION

THAT the JPC discuss the issues and options and provide staff with direction on whether a Bay Area regional position is desired and appropriate and, if so, what general principles and ideas should be incorporated in that position.

ATTACHMENT A

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Principles for Planning Legislation

Reviewed by Legislative and Governmental Organization Committee and ABAG Executive Board on November 27, 2006

Endorsed by Regional Planning Committee on December 7, 2005

Adopted by ABAG Executive Board March 16, 2006

1. **Create an organizational framework** that will facilitate planning coordination, emphasizing regional and local solutions and innovation.
2. **Promote policies that embody regional smart growth principles**, encouraging:
 - mixed use and infill within existing developed areas, housing for all income levels, with financial support for low and very low income units,
 - transportation efficiency, emphasizing proximity of uses,
 - compact development,
 - social equity, including mitigation of displacement impacts,
 - resource conservation, including energy efficiency and preservation of open space and agricultural lands, and
 - support and enhancement of existing developed communities.
3. **Provide resources and incentives** to assist regional agencies and local governments in their effort to improve their communities and pursue smart growth. Resources and incentives are needed for:
 - planning,
 - infrastructure and services, and
 - overcoming fiscal challenges in implementing local smart-growth.
4. **Structure environmental review** to promote quality development, protect the environment and provide for meaningful community input.
5. **Provide a structure for measuring and monitoring progress** in implementing and achieving the aforementioned objectives at the local and regional level.

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transportation/land-use platform

In the next twenty-five years, the Bay Area is expected to add another two million people and 1.4 million new jobs to the nine-county region. Where these people live and where the jobs are located are essential in determining what the region's future will look like, including how effectively the transportation system can handle this new growth. For example, future traffic impacts on regional and interregional roadways could be lessened if new development is focused in areas already well served by public transit. People who live and work within walking distance of the region's public transit network are more apt to take advantage of this option for getting from point A to point B, and more transit riders means fewer vehicles competing for valuable road space. If schools and shops are located closer to homes and to one another, walking and bicycling also could become convenient options. Ultimately, a regional shift toward more compact growth patterns could increase livability, preserve air quality, protect the environment and open space, dampen the growth in vehicle miles traveled, and make our investments in transportation more cost-effective.



Difficult challenges must be acknowledged and addressed in order to achieve this vision of more compact growth and livable communities. Developing new residences and jobs near mass transit may reduce the amount of driving on regional roadways but could increase local traffic near transit stations. Loss of too many industrial spaces to new housing and commercial development in the inner Bay Area could drive goods-movement-oriented uses further out to the perimeter of the region, driving up the cost of goods and reducing job diversity options. New investments in "transit villages" could benefit local businesses but could accelerate gentrification pressures if not planned properly. And new higher-density development projects will generate opposition if projects aren't well designed and if neighborhood groups aren't involved from the early planning stages.

Added to these challenges is the fact that while MTC and its transportation partners plan and finance transportation infrastructure, and agencies such as the Association of Bay Area Governments (ABAG) help coordinate other regional planning activities, land-use decisions are ultimately the province of 101 cities and

nine counties spread throughout the region.¹ The regional interest in more efficient land-use patterns must be achieved through a system of continued local control over land-use decisions. The bottom line is that we must better define the roles and responsibilities of all those with a stake in transportation and land-use decisions, agree on a shared vision for regional growth patterns, and pursue mutually supporting implementation strategies.

“ THE BAY AREA MUST GROW SMARTER AND ACCOMMODATE MORE OF ITS FUTURE JOB AND POPULATION GROWTH IN EXISTING URBAN AND SUBURBAN AREAS. ”

With the development of this Transportation/Land-Use Platform, MTC is building on its 1996 Transportation/Land-Use Policy Statement, which paved the way for the agency's groundbreaking Transportation for Livable Communities (TLC) program. First developed in 1998, the TLC program has funded over 130 community-led transportation projects that have strengthened neigh-

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neighborhoods, promoted more transportation choices, and contributed to urban and suburban revitalization throughout the region. MTC's Housing Incentive Program (HIP) also has provided transportation funds to local governments as incentives for building new housing adjacent to public transit hubs. In 2002, the Bay Area's five regional agencies, including MTC and ABAG, released a new Smart Growth Vision for the region resulting from dozens of public workshops and town hall meetings in all nine counties. The conclusion: the Bay Area must grow smarter and accommodate more of its future job and population growth in existing urban and suburban areas.

In preparing for the Transportation 2030 Plan, through dozens of focus groups, public workshops and a public opinion survey, MTC found strong public support for better integration of transportation and land-use planning, the development of more convenient transportation options, and a greater level of regional cooperation on issues surrounding transportation and land use. With this institutional history, policy experience and strong public support for addressing the issue, the Commission has developed the following principles, policies and implementation strategies to further strengthen MTC's efforts to better connect transportation and land-use decisions. This Transportation/Land-Use Platform will guide the Commission's strategic investments to achieve greater transportation efficiency for people and goods, while promoting more livable communities and a better quality of life for all Bay Area residents.

Guiding Principles

The Commission believes the following principles should guide the region's efforts to strike a better balance between transportation and land-use decisions.

Focus Growth Around Transit

The Transportation 2030 Plan invests two-thirds of the region's transportation dollars in public transportation. The more people who live, work and study in close proximity to public transit stations and corridors, the more the region can reap the rewards of these critical investments. The areas immediately surrounding major bus, train and ferry terminals represent regionally significant opportunities to develop new housing, jobs, schools, government offices and social services. In many cases, market forces could spur this type of "transit-oriented development" if it weren't for the multitude of zoning and regulatory barriers that stand in the way. Removing these barriers and providing new incentives for transit-focused growth should be a top priority for all levels of government.

Provide Community Benefits

If new higher-density housing, jobs and retail are built near public transit stations, there will be significant benefits for the entire Bay Area. Yet there also should be benefits to the local community beyond the transit investment itself in order to maintain livability, increase accessibility to the transit stations and reduce gentrification pressures on existing residents. These improvements have traditionally been proposed in the form of new infrastructure, but also could come in the form of parks, pedestrian safety measures, public services, streetscape projects or additional transit services. Financial measures designed to

Platform Principles

- Focus Growth Around Transit
- Provide Community Benefits
- Reinvest in Existing Infrastructure
- Create Smarter Suburbs
- Build More Affordable Housing in the Right Places
- Avoid Displacement of Goods-Related Businesses and Facilities
- Develop Stronger Partnerships

“ THE BAY AREA SUFFERS FROM A SEVERE HOUSING CRUNCH, AND THE TRANSPORTATION SYSTEM IS BEARING THE BRUNT OF IT. ”

capture the increased land values around transit stations also should be developed in order to generate funds to stabilize neighborhoods and benefit existing residents and businesses.

Reinvest in Existing Infrastructure

The current transportation system in the Bay Area — 1,400 miles of highways, 19,600 miles of local streets and roads, and 9,860 miles of transit routes including 400 miles of rail transit — represents a significant public investment that needs continued funding for maintenance and operations. Closer coordination of transportation and land use will mean more efficient use of existing infrastructure but also increased usage and wear. Reinvestment in existing roads, rails, sewers, utilities, parks and other infrastructure is critical in order to support more compact

growth throughout the region, especially to support infill strategies in our more urbanized areas. Major intra-regional travel corridors also will require coordinated investment strategies to improve operational efficiency and reduce design deficiencies for facilities that carry a wide range of automobile and truck traffic.

Create Smarter Suburbs

While the Regional Agencies' Smart Growth Vision focuses growth around transit stations and corridors and within existing urban centers, it recognizes that some new growth will occur at the edge of existing cities and suburbs. Whether this growth occurs as new suburbs or infill development in existing suburbs, it should incorporate a mix of uses and housing types that can make walking, bicycling and local public transit services a more convenient option for local residents. This can be accomplished through new approaches to neighborhood design, trail development and bicycle- and pedestrian-friendly streets, as well as by encouraging the placement of schools, community centers, churches, shops and services at the centers of larger suburban developments within an easy walk of surrounding homes and neighborhoods.

**“ TRANSPORTATION AGENCIES
MUST DEVELOP CLOSER PARTNERSHIPS
WITH CITIES, COUNTIES AND OTHERS
WITH LAND-USE AUTHORITY. ”**



Build More Affordable Housing in the Right Places

The Bay Area suffers from a severe housing crunch, and the transportation system is bearing the brunt of it. Most severely affected are the routes serving the Central Valley and Sacramento regions, where many Bay Area workers now live due to a lack of housing choices in the core nine-county region. The lack of an adequate supply of housing within the region — enough to match existing and future job growth — means that the number of in-commuters to the region will nearly double by 2030 if we don't provide more housing. All levels of government must commit to increasing housing supply and affordability, in addition to ensuring that the housing is built in locations that provide a wide variety of transportation options.

Avoid Displacement of Goods-Related Businesses and Facilities

While many new housing opportunities exist in the transformation of the region's older industrial and commercial areas, it is also important that key locations for goods-movement purposes be preserved. This is a critical land-use strategy for the

inner Bay Area that can help maintain economic vitality while reducing the growth in truck traffic. Distribution and warehousing facilities that are the most important for our regional economy must remain functional and economically viable. Regional strategies and incentive programs need to be developed that acknowledge the special needs of both urban and suburban communities that house these facilities, so that jurisdictions will be encouraged to preserve these critical supporting land uses.

Develop Stronger Partnerships With Public Agencies, Neighboring Regions and the Private Sector

MTC cannot and should not take on the smart growth challenge alone. This Transportation/Land-Use Platform is designed to further define MTC's roles and responsibilities in order to assist in the implementation of the Regional Agencies' Smart Growth Vision. The list of partners who will be essential in implementing this platform as well as the Smart Growth Vision include ABAG, the Bay Area Air Quality Management District (Air District), the

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Bay Conservation and Development Commission, other regional planning agencies, our regional neighbors to the north, east and south, county congestion management agencies (CMAs) and public transit providers. Working more closely with the private sector, community-based organizations and members of the public who haven't traditionally been engaged in the transportation/land-use discussion is absolutely critical to the success of this effort. In the end, however, it is local governments who will ultimately make the land-use decisions, and the successful implementation of this platform requires that all transportation agencies develop even closer partnerships with cities, counties and others with land-use authority.

Statement of Policy

The Commission believes that in order to meet the goals of the Transportation 2030 Plan and improve the quality of life for all Bay Area residents, transportation and land-use decisions must be more closely coordinated. It will thus be the policy of the Metropolitan Transportation Commission to encourage, recognize and reward land-use practices and policies that maximize walking, bicycling, transit ridership and other forms of high-occupancy-vehicle (HOV) travel, while diminishing the need to travel long distances and reducing vehicle-related air pollution. MTC will provide incentives and assistance to local governments to plan for and develop new jobs, housing, neighborhood-serving retail, schools and other services in well-designed urban and suburban centers, in close proximity to the region's transit stations, and along present and future transit and HOV corridors.

Implementation

In December 2003, the Commission adopted an initial five-point Transportation/Land-Use Policy Platform that laid out the agency's commitment to pursue new plans and programs to encourage the types of local land-use decisions that would result in more cost-effective regional transportation investments. As a result of continued stakeholder input in 2004, and under the guidance of a 25-member Transportation/Land-Use Task Force that has been overseeing the development of this document, the initial five-point platform has evolved into the Statement of Policy above and the following implementation strategies.²

1. Prioritize transportation investments that maintain the existing core transportation network

If the region's smart growth vision is to become a reality, more compact growth patterns must be supported by a complementary investment in the rehabilitation and maintenance of existing infrastructure. MTC will reaffirm its commitment to maintaining the region's transportation network by ensuring investments in both transit and road rehabilitation projects that serve the customer directly: replacing transit vehicles, rehabilitating track and pavement, and meeting key safety and accessibility requirements for all modes of travel.

2. Reserve an appropriate percentage of funding from the TLC/HIP program for land-use planning efforts around existing or future transit stations and corridors

MTC will create a new land-use planning grant program to assist local governments in the development of local land-use plans

Platform Implementation

- 1 Prioritize transportation investments that maintain the existing core transportation network
- 2 Reserve an appropriate percentage of funding from the TLC/HIP program for land-use planning efforts around existing or future transit stations and corridors
- 3 Encourage cities and counties to incorporate general plan policies that support transit-oriented development around Resolution 3434 stations
- 4 Support transportation/land-use coordination beyond major transit corridors
- 5 Coordinate transportation/land-use issues with regional neighbors
- 6 Develop joint planning projects with partner agencies to implement this platform and the Smart Growth Vision

and policies — e.g., specific plans, precise plans, model zoning ordinances, zoning overlays, form-based codes, etc. — for areas immediately surrounding bus, ferry and train stations. The land-use plans funded under this program should help increase transit ridership, prioritize station access for bicyclists and pedestrians, and involve a diversity of community stakeholders. MTC also will prioritize TLC and HIP funds for communities that plan for and build new housing, neighborhood-serving retail, employment, schools, day care centers and other services near transit stations and in town centers and downtown cores.

3. Encourage cities and counties to incorporate general plan policies that support transit-oriented development around Resolution 3434 stations

Any major transit investment must consider its ridership markets if it is to be economically feasible, and adjacent land uses to the transit infrastructure play an important role in determining that viability. The Commission will develop new criteria that will define supportive land use for the region's major new public transit investments outlined in MTC Resolution 3434. The goal of this policy will be to ensure that the investment of regional discretionary dollars will be matched by a local demonstration that plans are in place and will be implemented to support adequate housing and employment densities around public transit stations and corridors. The criteria will be scaled to match the type of transit investment to local land-use patterns.

4. Support transportation/land-use coordination beyond major transit corridors

MTC commits to working with ABAG and other regional and local government partners to help coordinate transportation and land use beyond the region's major public transportation corridors. In addition to continuing to pursue neighborhood-scale access improvements highlighted through the TLC program, the agencies will work with local governments interested in developing new approaches to suburban design that can offer a wider variety of travel options for shorter distance trips, particularly walking, bicycling, and smaller shuttle, bus and jitney services.



5. Coordinate transportation/land-use issues with regional neighbors

In-commuting pressures are directly tied to jobs/housing imbalances spilling over our borders. Bringing more housing into the Bay Area instead of anticipating future development in neighboring regions is a major underlying objective of the Smart Growth Vision recommendations. Building on ABAG's work with the Interregional Partnerships, MTC will seek the assistance of ABAG and the Air District in developing new partnerships with our regional neighbors to advance joint planning projects that focus on transportation/land-use issues of mutual concern.

6. Develop joint planning projects with partner agencies to implement this platform and the Smart Growth Vision

MTC, ABAG, the Air District and other partners will work to further the implementation of the Smart Growth Vision as well as investigate the feasibility of new joint planning efforts such as a housing and jobs location strategy and a regional open space plan that would reinforce infill development as a priority for growth in cities and established suburbs. MTC also will continue to provide financial assistance

to the county congestion management agencies (CMAs) through its Transportation Planning and Land-Use Solutions (T-PLUS) program to implement this platform, develop county-level funding for the Transportation for Livable Communities (TLC) program, coordinate with public transit agencies, and pursue tailored efforts at the county level to promote more livable communities.

Education, Legislation and Outreach

In support of its commitment to implement the Transportation/Land-Use Platform, MTC, in partnership with ABAG, the Air District and other regional and local agencies, will develop an education and outreach strategy that will focus on providing needed tools, assistance, materials and workshops for local elected officials, city staff and members of the public. MTC and ABAG also will develop a joint legislative platform in partnership with other agencies that will focus on removing barriers to smart growth, including:

appendix two

transportation/land-use platform

- Legislation to protect the builders of attached housing, like apartments and condominiums, from unfair litigation
- Fiscal measures to allow local governments to capture new revenues from development around transit stations and corridors
- Reform of the California Environmental Quality Act (CEQA) to reduce the barriers for transit-oriented development proposals that demonstrate community support, are consistent with local plans and do not result in significant environmental impacts
- New financial incentives from the state and federal governments to promote more housing and jobs near transit stations and corridors

Evaluation

In order to gauge progress towards achieving closer coordination of transportation and land-use planning in the region, MTC recognizes that success must be quantified through specific performance measures. The following are examples of measures that the regional agencies will develop and report to the public:

- Number of distinct planning efforts around key transit stations and corridors
- Travel patterns of people living and working near public transit (including mode of transportation, vehicle miles traveled and air quality impacts)



- Total number of housing units produced in the region
- Total number of housing units produced around key transit stations and corridors
- Percent of new housing and job development near transit stations and corridors
- Type of households near transit stations and corridors, including income levels, age and homeownership data
- Square footage of warehouse and industrial space in designated goods-movement districts

Conclusion

Our region — projected to grow by at least another one million jobs and one million residents over the next two decades — will face serious consequences if we fail to alter the way we grow. Mounting traffic congestion, air quality problems and a continuing housing crisis all point to the need to craft a new regional approach to coordinating transportation and land-use decisions. This Transportation/Land-Use Platform is MTC's commitment to help address these problems, assist in the implementation of the region's Smart Growth Vision, and promote more livable communities and transportation options for all Bay Area residents.

¹ In addition to land-use authority at the local government level, the Bay Conservation and Development Commission (BCDC) has unique land-use powers in order to protect the San Francisco Bay shoreline.

² Implementation strategies 2 through 5 are taken directly from the Commission's five-point Transportation/Land-Use Policy Platform adopted in December 2003.



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Memorandum

TO: Joint Policy Committee

DATE: July 14, 2006

FR: James Corless

RE: MTC's Resolution 3434 TOD Policy & Industrial Land Use Conflicts

In July 2005, the MTC adopted a Transit-Oriented Development (TOD) Policy that applies to new transit extensions contained in Resolution 3434. One of the key elements of the TOD policy is corridor-level housing thresholds to quantify appropriate minimum levels of housing development around future stations. Given existing development patterns, the five corridors in Resolution 3434 that did not meet the housing thresholds included: (1) BART east Contra Costa rail extension (eBART); (2) BART downtown Fremont to San Jose/Santa Clara extension (SVRT); (3) Sonoma-Marín Rail Transit corridor (SMART); (4) Dumbarton Rail corridor, and (5) ferry service expansion by the Water Transit Authority. The Commission also approved a pilot cycle of \$2.8 million in station area planning grants in July 2005 in order for jurisdictions along these corridors to develop station area plans that would help the corridors meet the requirements of the TOD policy.

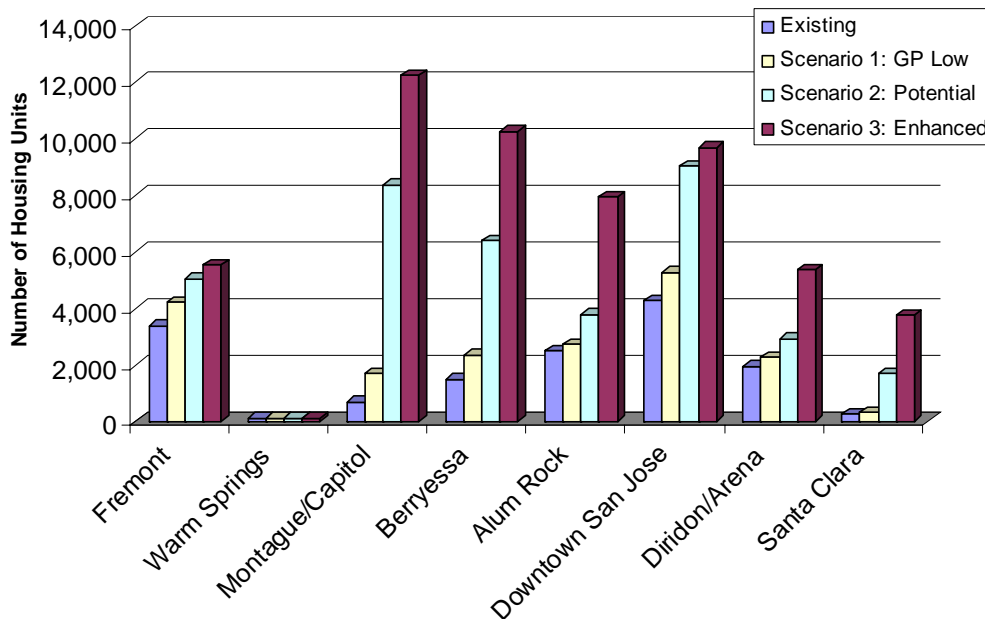
At its May 2006 meeting, the JPC adopted a motion requesting MTC staff evaluate whether the Resolution 3434 TOD policy could influence the conversion of any viable industrial areas to residential uses in order to comply with the corridor-wide housing thresholds. In the last twelve months, staff and a consulting team led by Nelson-Nygaard Consulting Associates have been conducting an evaluation of the TOD policy focused on several key issues including potential land use conflicts at future station sites.

The evaluation to date has shown that there are indeed a number of future stations along these extension corridors where some commercial and light industrial uses are being converted to housing and mixed use (see Attachment A for a station-by-station summary in two of the key corridors) within a half-mile of proposed transit stations. However, these conversions are happening in most cases due to implementation of ongoing local planning efforts, a local desire to zone for more TOD-compatible land uses, and market forces, not because of any one jurisdiction trying to meet MTC's housing thresholds as part of the Resolution 3434 TOD Policy. There are also many other examples of areas within a half-mile of future transit stations that will remain as light industrial uses. In these cases, cities appear to be attempting to develop "buffer" strategies to provide enough physical separation between any potentially conflicting uses.

The one example of a viable large-scale industrial use in the five extension corridors mentioned above that potentially presents a significant land use conflict is the NUMMI auto manufacturing facility at the future Warm Springs BART station in Fremont. NUMMI has suggested that any new housing adjacent to their facility will significantly impact their operations. In this case, for the

BART extension corridor from Fremont to San Jose/Santa Clara, the City of Fremont and NUMMI had both expressed concerns that the housing thresholds in MTC’s TOD policy might require Fremont to rezone the Warm Springs station to accommodate additional housing units so that the corridor could reach the corridor-wide thresholds.

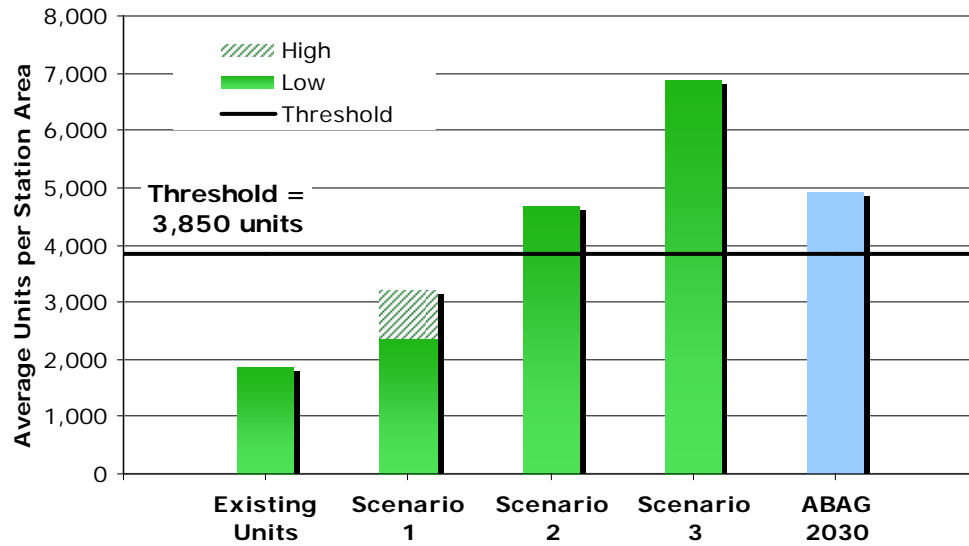
**Figure 1: Silicon Valley Rapid Transit Corridor
Scenarios to Meet MTC TOD Policy Housing Thresholds**



However, as shown in Figure 1, the evaluation of the corridor in the last twelve months reveals that the ambitious plans for transit-oriented development underway in both Milpitas (at the Montague/Capitol station) and San Jose (at the Berryessa and downtown stations) preclude the need to provide any new housing units at the future Warm Springs station. Note that, as shown in Figure 2, both scenario 2 (“Potential TOD”) and scenario 3 (“Enhanced TOD”) surpass the corridor-wide housing threshold under the Resolution 3434 TOD policy. This is exactly the intention behind the corridor approach in MTC’s TOD policy: that some stations will carry the corridor by emphasizing more intensive TOD allowing others to provide little or no residential development where these types of land use conflicts exist.

We hope this helps to answer the question raised at the May JPC meeting specifically related to MTC’s Resolution 3434 TOD policy and its influence on the conversion of industrial land uses.

**Figure 2: Silicon Valley Rapid Transit Corridor
Total of all Station by Station Scenarios vs. ABAG Projections**



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Attachment A:
Station by Station Assessment of Industrial Land Uses

**Sonoma-Marin Area Rail Transit (SMART) &
Silicon Valley Rapid Transit Corridor (BART to Santa Clara)**

Station	Current and Planned Use
SMART	
Cloverdale	There is a lumber yard east of the station. The City recognizes the site as a long-term incompatible use.
Healdsburg	Some lumber yards and other industrial uses south of the station site. The City has long term plans to do a Specific Plan to create a new mixed-use town center in this quadrant of the station area. Healdsburg also allows some worker housing on industrial sites.
Jennings Avenue	South and east of the station have some industrial uses. The City of Santa Rosa is interested in preserving some areas, but not necessarily all.
Rohnert Park	Light industrial area south and east of the station. There are no plans for changes to this area.
Corona Road	One alternative station site is an industrial site (mostly trucking) and there are some business park and light industrial uses north and west of the station. None of the housing that is already being built in the station area is in this quadrant.
SVRT	
Warm Springs	The potential conflict with the NUMMI plant has been avoided by planning for only non-residential uses in the station area; no net new residential units are envisioned. As there is also a significant amount of vacant land in the area, very few industrial uses are expected to be displaced.
Montague/Capitol	The City of Milpitas, through an intensive community planning effort, recently adopted its final Transit Area Concept Plan, which paves the way for a specific plan and environmental clearance effort. The Concept Plan calls for substantial conversion of industrial land in the area to convert to residential and office/retail uses. Current industrial uses consist of light manufacturing and assembly; warehousing; and distribution. It is possible that there will be conflicts between new residential developments and existing industrial land uses as development is phased in over time. Land north of Lundy nearest to the San Jose city border would remain industrial. This would retain compatibility with the current industrial uses in the area south of Lundy in the city of San Jose. There are no plans in San Jose to convert that industrial area to other uses.
Berryessa	Industrial uses are located west of the Flea Market past Coyote Creek. Residential uses are located north, east, and south of the Flea Market and future station site. The industrial area is one of the few remaining concentrations of heavy industrial uses in the South Bay, including a cement plant. City of San Jose planning staff studied industrial land conversion trends in the city, and recommend that this area be maintained, using Coyote Creek as a natural buffer; this area will likely not be influenced by residential development at the station. The current Flea Market will be redeveloped into residential and commercial uses; the current development plan uses Coyote Creek, parkland, and commercial uses to help buffer the site from the industrial area. There is another, less-intense, industrial area located south of the Flea Market and east of Coyote Creek,

Station	Current and Planned Use
	which is already surrounded by single-family residential development and could be converted from warehousing/distribution facilities to transit-oriented development. To the north, adjacent to the Flea Market and residential neighborhoods, San Jose planning staff are recommending conversion from light industrial to high density residential uses.
Alum Rock	Apart from the future BART station site, there is little industrial land left in this predominantly commercial and residential community. The existing industrial uses consist of small- to medium-scale automotive repair and light manufacturing businesses along 28th Street. The BART station site currently has some truck rental facilities and a material storage yard. The community's Strong Neighborhood Initiative plan calls for conversion of industrial land to commercial, residential, and park uses.
Diridon / Arena	The Midtown Specific Plan calls for adaptive reuse of warehouse and manufacturing buildings to commercial uses and residential lofts to the south and east of the station. The policies supporting the conversion of industrial uses in this area precede the adoption of the MTC TOD Policy. Further to the north and west, mixed residential and light industrial areas have been designated mixed-use districts, while some industrial areas are in the process of converting to residential uses as a result of market pressures.
Santa Clara	Although there is industrial land in the vicinity of the station, it does not appear to be cause for conflict with new residential uses. City of Santa Clara staff indicated that land used for heavy industrial purposes to the northwest of the station site would probably not change to residential use, and there is no policy shift supporting that change envisioned in the near future. The former FMC defense contractor site is now owned by the City of San Jose and will be redeveloped to commercial and office uses. Some other industrial uses south of the FMC site are being converted to residential uses.

Note: Only stations with significant industrial uses are included.



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Joint Policy Committee / Regional Planning Program

Date: July 13, 2006
To: Joint Policy Committee
From: Regional Planning Program Director
Subject: *Focusing Our Vision* Progress Report

This memo provides a brief report on progress on the *Focusing Our Vision* (FOCUS) program since the JPC last met in May.

Technical Advisory Committee (TAC)

The TAC is composed of local government representatives from each of the nine Bay Area Counties and of representatives of a number of other regional interests. It has now had two monthly meetings and is making good progress in helping us refine and apply criteria for identifying Priority Development Areas and Priority Conservation Areas. The next meeting is scheduled for July 27th. Meetings are coordinated with those of the Housing Methodology Committee, which is overseeing the shorter-term Regional Housing Needs Allocation (RHNA) process, and the two committees share some members. We are grateful to the Bay Conservation and Development Commission for providing meeting space.

We are aiming for a draft identification of priority areas with sketchy boundaries by mid-Fall. We will then enter into a collaborative process directly with local governments to confirm these areas and identify more precise boundaries. The role of priority criteria that cannot be mapped will also be worked out with the TAC and directly with local governments.

Data Collection and Analysis

The compilation and cataloguing of information to be used for the identification and refinement of priority areas continues, and example analyses have been vetted with the TAC. Spatial modeling tools are also being developed and tested.

Reports Relating to FOCUS

Over the past few weeks, four significant reports have been released from three separate sources. Individually and collectively, these documents have a great deal to say about the issues prompting FOCUS and about the FOCUS effort itself. The reports are:

Blueprint Planning in California: Forging Consensus on Metropolitan Growth and Development by Elisa Barbour and Michael Tietz, Public Policy Institute of California, June 21, 2006

(<http://www.ppic.org/main/publication.asp?i=693>);

At Risk: The Bay Area Greenbelt, 2006 Edition, Greenbelt Alliance, 2006

(http://www.greenbelt.org/resources/reports/atrisk_2006/index.html)

Bay Area Smart Growth Scorecard, 2006, Greenbelt Alliance, 2006

(<http://www.greenbelt.org/resources/reports/index.html#openspace>)

A Place to Call Home: Housing in the San Francisco Bay Area, Association of Bay Area Governments, 2006

(<http://www.abag.ca.gov/planning/housingneeds/resources.html>)

Copies of the Greenbelt Alliance reports have been distributed to JPC members directly by Greenbelt. Copies of the other reports are included with this memo for JPC members only. All reports are available for free download at the links indicated.

At the JPC meeting, staff will do a presentation summarizing the four reports, their relationship to one another, and their implications for the *Focusing Our Vision* program.